

26 Commission to adopt by rule, a specified methodology
 27 for scheduling examinations of insurers; specifying
 28 requirements for such methodology; providing
 29 construction; amending s. 624.4211, F.S.; revising
 30 administrative fines the office may impose in lieu of
 31 revocation or suspension; amending s. 626.207, F.S.;
 32 revising a condition for disqualification of an
 33 insurance representative applicant or licensee;
 34 amending s. 626.9521, F.S.; revising and specifying
 35 applicable fines for unfair methods of competition and
 36 unfair or deceptive acts or practices; amending s.
 37 626.9541, F.S.; adding an unfair claim settlement
 38 practice by an insurer; prohibiting an officer or a
 39 director of an impaired insurer to authorize or permit
 40 the insurer to pay a bonus to any officer or director
 41 of the insurer; defining the term "bonus"; providing a
 42 criminal penalty; amending s. 626.989, F.S.; revising
 43 a reporting requirement for the department's Division
 44 of Investigative and Forensic Services; requiring the
 45 division to submit an annual performance report to the
 46 Legislature; specifying requirements for the report;
 47 amending s. 627.0629, F.S.; specifying requirements
 48 for residential property insurers in providing certain
 49 hurricane mitigation discount information to
 50 policyholders in a specified manner; specifying

51 requirements for the office in reevaluating and
 52 updating certain fixtures and construction techniques;
 53 deleting obsolete dates; amending s. 627.351, F.S.;
 54 prohibiting Citizens Property Insurance Corporation
 55 from determining that a risk is ineligible for
 56 coverage solely on a specified basis; amending s.
 57 627.701, F.S.; providing that if a roof deductible is
 58 applied under a personal lines residential property
 59 insurance policy, no other deductible under the policy
 60 may be applied to any other loss to the property
 61 caused by the same covered peril; amending s.
 62 627.70132, F.S.; providing for the tolling of certain
 63 timeframes for filing notices of property insurance
 64 claims for servicemembers; providing appropriations;
 65 providing an effective date.

66
 67 Be It Enacted by the Legislature of the State of Florida:

68
 69 Section 1. Paragraph (b) of subsection (10) of
 70 section 624.307, Florida Statutes, is amended to read:

71 624.307 General powers; duties.—

72 (10)

73 (b) Any person licensed or issued a certificate of
 74 authority by the department or the office shall respond, in
 75 writing or electronically, to the division within 14 ~~20~~ days

76 after receipt of a written request for documents and information
 77 from the division concerning a consumer complaint. The response
 78 must address the issues and allegations raised in the complaint
 79 and include any requested documents concerning the consumer
 80 complaint not subject to attorney-client or work-product
 81 privilege. The division may impose an administrative penalty for
 82 failure to comply with this paragraph of up to \$5,000 ~~\$2,500~~ per
 83 violation upon any entity licensed by the department or the
 84 office ~~and \$250 for the first violation, \$500 for the second~~
 85 ~~violation, and up to \$1,000 per for the third or subsequent~~
 86 violation ~~by~~ upon any individual licensed by the department or
 87 the office.

88 Section 2. Present subsection (4) of section 624.315,
 89 Florida Statutes, is redesignated as subsection (5), and a new
 90 subsection (4) is added to that section, to read:

91 624.315 Annual report.—

92 (4) The office shall detail all actions to enforce insurer
 93 compliance during the previous year. For each of the following,
 94 the report must detail the insurer or other licensee or
 95 registrant against whom such action was taken; whether the
 96 office found any violation of law or rule by such party, and, if
 97 so, detail such violation; and the resolution of such action,
 98 including any penalties imposed by the office. The report must
 99 be published on the website of the office and submitted to the
 100 Governor, the President of the Senate, and the Speaker of the

101 House of Representatives on or before February 15 of each year.
 102 The report must include, but need not be limited to:

103 (a) The revocation, denial, or suspension of any license
 104 or registration issued by the office.

105 (b) All actions taken pursuant to s. 624.310.

106 (c) Fines imposed by the office for violations of this
 107 code.

108 (d) Consent orders entered into by the office.

109 (e) Examinations and investigations conducted and
 110 completed by the office pursuant to ss. 624.316 and 624.3161.

111 (f) Investigations conducted and completed, by line of
 112 insurance, for which the office found violations of law or rule
 113 but did not take enforcement action.

114 Section 3. Section 624.3152, Florida Statutes, is created
 115 to read:

116 624.3152 Quarterly report of enforcement activity.—Each
 117 quarter, the office shall create a report detailing all actions
 118 of the office to enforce insurer compliance. The report must be
 119 submitted to the commission, the President of the Senate, the
 120 Speaker of the House of Representatives, and the legislative
 121 committees with jurisdiction over matters of insurance. For each
 122 of the following, the report must detail the insurer or other
 123 licensee or registrant against whom such action was taken;
 124 whether the office found any violation of law or rule by such
 125 party, and, if so, detail such violation; and the resolution of

126 such action, including any penalties imposed by the office. The
 127 report is due on or before April 30, July 31, October 31, and
 128 January 31, respectively, for the immediately preceding quarter.

129 The report must include, but need not be limited to:

130 (1) The revocation, denial, or suspension of any license
 131 or registration issued by the office.

132 (2) All actions taken pursuant to s. 624.310.

133 (3) Fines imposed by the office for violations of this
 134 code.

135 (4) Consent orders entered into by the office.

136 (5) Examinations and investigations conducted and
 137 completed by the office pursuant to ss. 624.316 and 624.3161.

138 (6) Investigations conducted and completed, by line of
 139 insurance, for which the office found violations of law or rule
 140 but did not take enforcement action.

141 Section 4. Subsection (2) is amended and subsection (3) is
 142 added to section 624.316, Florida Statutes, to read:

143 624.316 Examination of insurers.—

144 (2)(a) Except as provided in paragraph (f), the office may
 145 examine each insurer as often as may be warranted for the
 146 protection of the policyholders and in the public interest, but
 147 must, at a minimum, examine insurers as follows:

148 1. High-risk insurers not less frequently than once every
 149 3 years.

150 2. Average-risk insurers not less frequently than once

151 every 5 years.

152 3. Low-risk insurers not less frequently than once every 7
153 years ~~and shall examine each domestic insurer not less~~
154 ~~frequently than once every 5 years.~~

155
156 The examination shall cover the preceding ~~5~~ fiscal years since
157 the last examination of the insurer, except for low-risk
158 insurers, in which case the examination shall cover the
159 preceding 5 fiscal years, and shall be commenced within 12
160 months after the end of the most recent fiscal year being
161 covered by the examination. The examination may cover any period
162 of the insurer's operations since the last previous examination.
163 The examination may include examination of events subsequent to
164 the end of the most recent fiscal year and the events of any
165 prior period that affect the present financial condition of the
166 insurer.

167 (3) The office shall create, and the commission shall
168 adopt by rule, a risk-based selection methodology for scheduling
169 and conducting examinations of insurers and other entities
170 subject to this section. This requirement does not restrict the
171 authority of the office to conduct market conduct examinations
172 as often as it deems advisable. Such methodology must include:

173 (a) Use of currently required risk-based capital reports
174 to prioritize financial examinations of insurers when such
175 reporting indicates a decline in the insurer's financial

176 condition.

177 (b) Consideration of any downgrade or threatened downgrade
 178 in the insurer's financial strength rating.

179 (c) Prioritization of property insurers for which the
 180 office identifies significant concerns about an insurer's
 181 solvency pursuant to s. 627.7154.

182 (d) Any other conditions the office deems necessary for
 183 the protection of the public.

184

185 The office shall present the proposed rule required by this
 186 subsection to the commission no later than October 1, 2023. In
 187 addition to the methodology required by this subsection, the
 188 rule must include a plan to implement the examination schedule
 189 in subsection (2).

190 Section 5. Subsection (7) of section 624.3161, Florida
 191 Statutes, is amended, and subsection (8) is added to that
 192 section, to read:

193 624.3161 Market conduct examinations.—

194 (7) Notwithstanding subsection (1), any authorized insurer
 195 transacting property insurance business in this state must ~~may~~
 196 be subject to an additional market conduct examination after a
 197 hurricane if, at any time more than 90 days after the end of the
 198 hurricane, the insurer:

199 (a) Is among the top 20 percent of insurers based upon a
 200 calculation of the ratio of hurricane-related property insurance

201 claims filed to the number of property insurance policies in
 202 force;

203 (b) Is among the top 20 percent of insurers based upon a
 204 calculation of the ratio of consumer complaints made to the
 205 department to hurricane-related claims;

206 (c) Has made significant payments to its managing general
 207 agent since the hurricane; or

208 (d) Is identified by the office as necessitating a market
 209 conduct exam for any other reason.

210

211 All relevant criteria under this section and s. 624.316 shall be
 212 applied to the market conduct examination under this subsection.
 213 Such an examination must be initiated within 18 months after the
 214 landfall of a hurricane that results in an executive order or a
 215 state of emergency issued by the Governor. This requirement does
 216 not limit in any way the authority of the office to conduct at
 217 any time a market conduct examination of a property insurer in
 218 the aftermath of a hurricane. An examination of an insurer under
 219 this subsection must also include an examination of its managing
 220 general agent as if it were the insurer.

221 (8) The office shall create, and the commission shall
 222 adopt by rule, a risk-based selection methodology for scheduling
 223 and conducting market conduct examinations of insurers and other
 224 entities regulated by the office. This requirement does not
 225 restrict the authority of the office to conduct market conduct

226 examinations as often as it deems necessary. Under such
227 selection methodology, the office must initiate a market conduct
228 examination if any of the following conditions exist relating to
229 an insurer or other entity regulated by the office:

230 (a) An insurance regulator in another state has initiated
231 or taken regulatory action against the insurer or entity,
232 including, but not limited to:

233 1. A licensure denial, suspension, or revocation;
234 2. Imposition of administrative fines; or
235 3. Issuance of a cease and desist order, consent order, or
236 other order regarding actions or omissions of the insurer or
237 entity.

238 (b) Given the insurer's market share in this state, the
239 department or the office has received a disproportionate number
240 of the following types of claims-handling complaints against the
241 insurer:

242 1. Failure to timely communicate with respect to claims;
243 2. Failure to timely pay claims;
244 3. Untimely payments giving rise to the payment of
245 statutory interest;

246 4. Failure to adjust and pay claims in accordance with the
247 terms and conditions of the policy or contract and in compliance
248 with state law;

249 5. Violations of the Unfair Insurance Trade Practices Act
250 in part IX of chapter 626;

251 6. Failure to use licensed and duly appointed claims
 252 adjusters;

253 7. Failure to maintain reasonable claims records; or

254 8. Failure to adhere to the company's claims-handling
 255 manual.

256 (c) The results of a National Association of Insurance
 257 Commissioners Market Conduct Annual Statement indicate the
 258 insurer is a negative outlier with regard to particular metrics.

259 (d) There is evidence the insurer is engaged in a pattern
 260 or practice of violations of the Unfair Insurance Trade
 261 Practices Act.

262
 263 (f) Any other conditions the office deems necessary for
 264 the protection of the public.

265
 266 The office shall present the proposed rule required by this
 267 subsection to the commission no later than October 1, 2023. In
 268 addition to the methodology required by this subsection, the
 269 rule must provide criteria for how the office will determine
 270 that it has received a disproportionate of the claims-handling
 271 complaints described in paragraph (b).

272 Section 6. Section 624.4211, Florida Statutes, is amended
 273 to read:

274 624.4211 Administrative fine in lieu of suspension or
 275 revocation.-

276 (1) If the office finds that one or more grounds exist for
 277 the discretionary revocation or suspension of a certificate of
 278 authority issued under this chapter, the office may, in lieu of
 279 such revocation or suspension, impose a fine upon the insurer.

280 (2)(a) With respect to a ~~any~~ nonwillful violation, such
 281 fine may not exceed:

282 1. Twenty-five thousand dollars per violation, up to an
 283 aggregate amount of \$100,000 for all nonwillful violations
 284 arising out of the same action, related to a covered loss or
 285 claim caused by an emergency for which the Governor declared a
 286 state of emergency pursuant to s. 252.36.

287 2. Twelve thousand five hundred dollars ~~\$5,000~~ per
 288 violation, up to. ~~In no event shall such fine exceed an~~
 289 aggregate amount of \$50,000 ~~\$20,000~~ for all other nonwillful
 290 violations arising out of the same action.

291 (b) If an insurer discovers a nonwillful violation, the
 292 insurer shall correct the violation and, if restitution is due,
 293 make restitution to all affected persons. Such restitution shall
 294 include interest at 12 percent per year from either the date of
 295 the violation or the date of inception of the affected person's
 296 policy, at the insurer's option. The restitution may be a credit
 297 against future premiums due provided that interest accumulates
 298 until the premiums are due. If the amount of restitution due to
 299 any person is \$50 or more and the insurer wishes to credit it
 300 against future premiums, it shall notify such person that she or

301 he may receive a check instead of a credit. If the credit is on
 302 a policy that is not renewed, the insurer shall pay the
 303 restitution to the person to whom it is due.

304 (3)(a) With respect to a ~~any~~ knowing and willful violation
 305 of a lawful order or rule of the office or commission or a
 306 provision of this code, the office may impose a fine upon the
 307 insurer in an amount not to exceed:

308 1. Two hundred thousand dollars for each such violation,
 309 up to an aggregate amount of \$1 million for all knowing and
 310 willful violations arising out of the same action, related to a
 311 covered loss or claim caused by an emergency for which the
 312 Governor declared a state of emergency pursuant to s. 252.36.

313 2. One hundred thousand dollars ~~\$40,000~~ for each such
 314 violation, up to. ~~In no event shall such fine exceed an~~
 315 aggregate amount of \$500,000 ~~\$200,000~~ for all other knowing and
 316 willful violations arising out of the same action.

317 (b) In addition to such fines, the insurer shall make
 318 restitution when due in accordance with subsection (2).

319 (4) The failure of an insurer to make restitution when due
 320 as required under this section constitutes a willful violation
 321 of this code. However, if an insurer in good faith is uncertain
 322 as to whether any restitution is due or as to the amount of such
 323 restitution, it shall promptly notify the office of the
 324 circumstances; and the failure to make restitution pending a
 325 determination thereof shall not constitute a violation of this

326 code.

327 Section 7. Paragraph (c) of subsection (3) of section
 328 626.207, Florida Statutes, is amended to read:

329 626.207 Disqualification of applicants and licensees;
 330 penalties against licensees; rulemaking authority.—

331 (3) An applicant who has been found guilty of or has
 332 pleaded guilty or nolo contendere to a crime not included in
 333 subsection (2), regardless of adjudication, is subject to:

334 (c) A 7-year disqualifying period for all misdemeanors
 335 directly related to the financial services business or any
 336 violation of the Florida Insurance Code.

337 Section 8. Subsections (2) and (3) of section 626.9521,
 338 Florida Statutes, are amended to read:

339 626.9521 Unfair methods of competition and unfair or
 340 deceptive acts or practices prohibited; penalties.—

341 (2) Except as provided in subsection (3), any person who
 342 violates any provision of this part is subject to a fine in an
 343 amount not greater than \$12,500 ~~\$5,000~~ for each nonwillful
 344 violation and not greater than \$100,000 ~~\$40,000~~ for each willful
 345 violation. Fines under this subsection imposed against an
 346 insurer may not exceed an aggregate amount of \$50,000 ~~\$20,000~~
 347 for all nonwillful violations arising out of the same action or
 348 an aggregate amount of \$500,000 ~~\$200,000~~ for all willful
 349 violations arising out of the same action. The fines may be
 350 imposed in addition to any other applicable penalty.

351 (3) (a) If a person violates s. 626.9541(1) (l), the offense
352 known as "twisting," or violates s. 626.9541(1) (aa), the offense
353 known as "churning," the person commits a misdemeanor of the
354 first degree, punishable as provided in s. 775.082, and an
355 administrative fine not greater than \$12,500 ~~\$5,000~~ shall be
356 imposed for each nonwillful violation or an administrative fine
357 not greater than \$187,500 ~~\$75,000~~ shall be imposed for each
358 willful violation. To impose an administrative fine for a
359 willful violation under this paragraph, the practice of
360 "churning" or "twisting" must involve fraudulent conduct.

361 (b) If a person violates s. 626.9541(1) (ee) by willfully
362 submitting fraudulent signatures on an application or policy-
363 related document, the person commits a felony of the third
364 degree, punishable as provided in s. 775.082, and an
365 administrative fine not greater than \$12,500 ~~\$5,000~~ shall be
366 imposed for each nonwillful violation or an administrative fine
367 not greater than \$187,500 ~~\$75,000~~ shall be imposed for each
368 willful violation.

369 (c) If a person violates any provision of this part and
370 such violation is related to a covered loss or covered claim
371 caused by an emergency for which the Governor declared a state
372 of emergency pursuant to s. 252.36, such person is subject to a
373 fine in an amount not greater than \$25,000 for each nonwillful
374 violation and not greater than \$200,000 for each willful
375 violation. Fines under this paragraph imposed against an insurer

376 may not exceed an aggregate amount of \$100,000 for all
 377 nonwillful violations arising out of the same action or an
 378 aggregate amount of \$1 million for all willful violations
 379 arising out of the same action.

380 (d) Administrative fines under paragraphs (a) and (b) this
 381 subsection may not exceed an aggregate amount of \$125,000
 382 ~~\$50,000~~ for all nonwillful violations arising out of the same
 383 action or an aggregate amount of \$625,000 ~~\$250,000~~ for all
 384 willful violations arising out of the same action.

385 Section 9. Paragraphs (i) and (w) of subsection (1) of
 386 section 626.9541, Florida Statutes, are amended to read:

387 626.9541 Unfair methods of competition and unfair or
 388 deceptive acts or practices defined.—

389 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
 390 ACTS.—The following are defined as unfair methods of competition
 391 and unfair or deceptive acts or practices:

392 (i) *Unfair claim settlement practices.*—

393 1. Attempting to settle claims on the basis of an
 394 application, when serving as a binder or intended to become a
 395 part of the policy, or any other material document which was
 396 altered without notice to, or knowledge or consent of, the
 397 insured;

398 2. A material misrepresentation made to an insured or any
 399 other person having an interest in the proceeds payable under
 400 such contract or policy, for the purpose and with the intent of

401 effecting settlement of such claims, loss, or damage under such
402 contract or policy on less favorable terms than those provided
403 in, and contemplated by, such contract or policy;

404 3. Committing or performing with such frequency as to
405 indicate a general business practice any of the following:

406 a. Failing to adopt and implement standards for the proper
407 investigation of claims;

408 b. Misrepresenting pertinent facts or insurance policy
409 provisions relating to coverages at issue;

410 c. Failing to acknowledge and act promptly upon
411 communications with respect to claims;

412 d. Denying claims without conducting reasonable
413 investigations based upon available information;

414 e. Failing to affirm or deny full or partial coverage of
415 claims, and, as to partial coverage, the dollar amount or extent
416 of coverage, or failing to provide a written statement that the
417 claim is being investigated, upon the written request of the
418 insured within 30 days after proof-of-loss statements have been
419 completed;

420 f. Failing to promptly provide a reasonable explanation in
421 writing to the insured of the basis in the insurance policy, in
422 relation to the facts or applicable law, for denial of a claim
423 or for the offer of a compromise settlement;

424 g. Failing to promptly notify the insured of any
425 additional information necessary for the processing of a claim;

426 h. Failing to clearly explain the nature of the requested
 427 information and the reasons why such information is necessary;
 428 ~~or~~

429 i. Failing to pay personal injury protection insurance
 430 claims within the time periods required by s. 627.736(4)(b). The
 431 office may order the insurer to pay restitution to a
 432 policyholder, medical provider, or other claimant, including
 433 interest at a rate consistent with the amount set forth in s.
 434 55.03(1), for the time period within which an insurer fails to
 435 pay claims as required by law. Restitution is in addition to any
 436 other penalties allowed by law, including, but not limited to,
 437 the suspension of the insurer's certificate of authority; or

438 j. Altering or amending an insurance adjuster's report
 439 without including on the report or as an addendum to the report
 440 a detailed list of all changes made to the report and the
 441 identity of the person who ordered each change. Any change that
 442 has the effect of reducing the estimate of the loss must include
 443 a detailed explanation why such change was made; or

444 4. Failing to pay undisputed amounts of partial or full
 445 benefits owed under first-party property insurance policies
 446 within 60 days after an insurer receives notice of a residential
 447 property insurance claim, determines the amounts of partial or
 448 full benefits, and agrees to coverage, unless payment of the
 449 undisputed benefits is prevented by factors beyond the control
 450 of the insurer as defined in s. 627.70131(5).

451 (w) Soliciting or accepting new or renewal insurance risks
 452 or payment of certain bonuses by insolvent or impaired insurer
 453 prohibited; penalty.—

454 1. Whether or not delinquency proceedings as to the
 455 insurer have been or are to be initiated, but while such
 456 insolvency or impairment exists, no director or officer of an
 457 insurer, except with the written permission of the office, shall
 458 authorize or permit the insurer to solicit or accept new or
 459 renewal insurance risks in this state after such director or
 460 officer knew, or reasonably should have known, that the insurer
 461 was insolvent or impaired.

462 2. Regardless of whether delinquency proceedings as to the
 463 insurer have been or are to be initiated, but while such
 464 insolvency or impairment exists, a director or an officer of an
 465 impaired insurer may not authorize or permit the insurer to pay
 466 a bonus to any officer or director of the insurer.

467 3. As used in this paragraph, the term:

468 a. "Bonus" means a payment, in addition to an officer's or
 469 a director's usual compensation, that is in addition to any
 470 amounts contracted for or otherwise legally due.

471 b. "Impaired" includes impairment of capital or surplus,
 472 as defined in s. 631.011(12) and (13).

473 4.2. Any such director or officer, upon conviction of a
 474 violation of this paragraph, commits ~~is guilty of~~ a felony of
 475 the third degree, punishable as provided in s. 775.082, s.

476 | 775.083, or s. 775.084.

477 | Section 10. Subsection (6) of section 626.989, Florida
 478 | Statutes, is amended, and subsection (10) is added to that
 479 | section, to read:

480 | 626.989 Investigation by department or Division of
 481 | Investigative and Forensic Services; compliance; immunity;
 482 | confidential information; reports to division; division
 483 | investigator's power of arrest.-

484 | (6) (a) Any person, other than an insurer, agent, or other
 485 | person licensed under the code, or an employee thereof, having
 486 | knowledge or who believes that a fraudulent insurance act or any
 487 | other act or practice which, upon conviction, constitutes a
 488 | felony or a misdemeanor under the code, or under s. 817.234, is
 489 | being or has been committed may send to the Division of
 490 | Investigative and Forensic Services a report or information
 491 | pertinent to such knowledge or belief and such additional
 492 | information relative thereto as the department may request. Any
 493 | professional practitioner licensed or regulated by the
 494 | Department of Business and Professional Regulation, except as
 495 | otherwise provided by law, any medical review committee as
 496 | defined in s. 766.101, any private medical review committee, and
 497 | any insurer, agent, or other person licensed under the code, or
 498 | an employee thereof, having knowledge or who believes that a
 499 | fraudulent insurance act or any other act or practice which,
 500 | upon conviction, constitutes a felony or a misdemeanor under the

501 code, or under s. 817.234, is being or has been committed shall
502 send to the Division of Investigative and Forensic Services a
503 report or information pertinent to such knowledge or belief and
504 such additional information relative thereto as the department
505 may require.

506 (b) The Division of Investigative and Forensic Services
507 shall review such information or reports and select such
508 information or reports as, in its judgment, may require further
509 investigation. It shall then cause an independent examination of
510 the facts surrounding such information or report to be made to
511 determine the extent, if any, to which a fraudulent insurance
512 act or any other act or practice which, upon conviction,
513 constitutes a felony or a misdemeanor under the code, or under
514 s. 817.234, is being committed.

515 (c) The Division of Investigative and Forensic Services
516 shall report any alleged violations of law which its
517 investigations disclose to the appropriate licensing agency and
518 state attorney or other prosecuting agency having jurisdiction,
519 including, but not limited to, the statewide prosecutor for
520 crimes that impact two or more judicial circuits in this state,
521 with respect to any such violation, as provided in s. 624.310.
522 If prosecution by the state attorney or other prosecuting agency
523 having jurisdiction with respect to such violation is not begun
524 within 60 days of the division's report, the state attorney or
525 other prosecuting agency having jurisdiction with respect to

526 such violation shall inform the division of the reasons for the
527 lack of prosecution.

528 (10) The Division of Investigative and Forensic Services
529 Bureau of Insurance Fraud shall prepare and submit a performance
530 report to the President of the Senate and the Speaker of the
531 House of Representatives by January 1 of each year. The annual
532 report must include, but need not be limited to:

533 (a) The total number of initial referrals received, cases
534 opened, cases presented for prosecution, cases closed, and
535 convictions resulting from cases presented for prosecution by
536 the Bureau of Insurance Fraud, by type of insurance fraud and
537 circuit.

538 (b) The number of referrals received from insurers, the
539 office, and the Division of Consumer Services of the department,
540 and the outcome of those referrals.

541 (c) The number of investigations undertaken by the Bureau
542 of Insurance Fraud which were not the result of a referral from
543 an insurer and the outcome of those referrals.

544 (d) The number of investigations that resulted in a
545 referral to a regulatory agency and the disposition of those
546 referrals.

547 (e) The number of cases presented by the Bureau of
548 Insurance Fraud which local prosecutors or the statewide
549 prosecutor declined to prosecute and the reasons provided for
550 declining prosecution.

551 (f) A summary of the annual report required under s.
 552 626.9896.

553 (g) The total number of employees assigned to the Bureau
 554 of Insurance Fraud, delineated by location of staff assigned;
 555 and the number and location of employees assigned to the Bureau
 556 of Insurance Fraud who were assigned to work other types of
 557 fraud cases.

558 (h) The average caseload and turnaround time by type of
 559 case for each investigator.

560 (i) The training provided during the year to insurance
 561 fraud investigators.

562 Section 11. Subsections (1), (3), and (4) of section
 563 627.0629, Florida Statutes, are amended to read:

564 627.0629 Residential property insurance; rate filings.—

565 (1) It is the intent of the Legislature that insurers
 566 provide savings to consumers who install or implement windstorm
 567 damage mitigation techniques, alterations, or solutions to their
 568 properties to prevent windstorm losses. A rate filing for
 569 residential property insurance must include actuarially
 570 reasonable discounts, credits, or other rate differentials, or
 571 appropriate reductions in deductibles, for properties on which
 572 fixtures or construction techniques demonstrated to reduce the
 573 amount of loss in a windstorm have been installed or
 574 implemented. The fixtures or construction techniques must
 575 include, but are not limited to, fixtures or construction

576 techniques that enhance roof strength, roof covering
577 performance, roof-to-wall strength, wall-to-floor-to-foundation
578 strength, opening protection, and window, door, and skylight
579 strength. Credits, discounts, or other rate differentials, or
580 appropriate reductions in deductibles, for fixtures and
581 construction techniques that meet the minimum requirements of
582 the Florida Building Code must be included in the rate filing.
583 The office shall determine the discounts, credits, other rate
584 differentials, and appropriate reductions in deductibles that
585 reflect the full actuarial value of such revaluation, which may
586 be used by insurers in rate filings. Effective July 1, 2023,
587 each insurer subject to the requirements of this section must
588 provide information on the insurer's website describing the
589 hurricane mitigation discounts available to policyholders. Such
590 information must be accessible on, or through a hyperlink
591 located on, the home page of the insurer's website or the
592 primary page of the insurer's website for property insurance
593 policyholders or applicants for such coverage in this state. On
594 or before January 1, 2025, and every 5 years thereafter, the
595 office shall reevaluate and update the fixtures or construction
596 techniques demonstrated to reduce the amount of loss in a
597 windstorm and the discounts, credits, other rate differentials,
598 and appropriate reductions in deductibles that reflect the full
599 actuarial value of such fixtures or construction techniques. The
600 office shall adopt rules and forms necessitated by such

601 reevaluation.

602 (3) A rate filing ~~made on or after July 1, 1995,~~ for
 603 mobile home owner insurance must include appropriate discounts,
 604 credits, or other rate differentials for mobile homes
 605 constructed to comply with American Society of Civil Engineers
 606 Standard ANSI/ASCE 7-88, adopted by the United States Department
 607 of Housing and Urban Development on July 13, 1994, and that also
 608 comply with all applicable tie-down requirements provided by
 609 state law.

610 (4) The Legislature finds that separate consideration and
 611 notice of hurricane insurance premiums will assist consumers by
 612 providing greater assurance that hurricane premiums are lawful
 613 and by providing more complete information regarding the
 614 components of property insurance premiums. ~~Effective January 1,~~
 615 ~~1997,~~ A rate filing for residential property insurance shall be
 616 separated into two components, rates for hurricane coverage and
 617 rates for all other coverages. A premium notice reflecting a
 618 rate implemented on the basis of such a filing shall separately
 619 indicate the premium for hurricane coverage and the premium for
 620 all other coverages.

621 Section 12. Paragraph (11) is added to subsection (6) of
 622 section 627.351, Florida Statutes, to read:

623 627.351 Insurance risk apportionment plans.—

624 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

625 (11) The corporation may not determine that a risk is

626 ineligible for coverage with the corporation solely because such
627 risk has unrepaired damage caused by a covered loss that is the
628 subject of a claim that is being serviced by the Florida
629 Insurance Guaranty Association. This paragraph applies to a risk
630 until the earlier of 36 months from the date the Florida
631 Insurance Guaranty Association began servicing such claim or the
632 Florida Insurance Guaranty Association closes the claim.

633 Section 13. Paragraph (a) of subsection (10) of section
634 627.701, Florida Statutes, is amended to read:

635 627.701 Liability of insureds; coinsurance; deductibles.—

636 (10) (a) Notwithstanding any other provision of law, an
637 insurer issuing a personal lines residential property insurance
638 policy may include in such policy a separate roof deductible
639 that meets all of the following requirements:

640 1. The insurer has complied with the offer requirements
641 under subsection (7) regarding a deductible applicable to losses
642 from perils other than a hurricane.

643 2. The roof deductible may not exceed the lesser of 2
644 percent of the Coverage A limit of the policy or 50 percent of
645 the cost to replace the roof.

646 3. The premium that a policyholder is charged for the
647 policy includes an actuarially sound credit or premium discount
648 for the roof deductible.

649 4. The roof deductible applies only to a claim adjusted on
650 a replacement cost basis.

- 651 5. The roof deductible does not apply to any of the
 652 following events:
- 653 a. A total loss to a primary structure in accordance with
 654 the valued policy law under s. 627.702 which is caused by a
 655 covered peril.
 - 656 b. A roof loss resulting from a hurricane as defined in s.
 657 627.4025(2)(c).
 - 658 c. A roof loss resulting from a tree fall or other hazard
 659 that damages the roof and punctures the roof deck.
 - 660 d. A roof loss requiring the repair of less than 50
 661 percent of the roof.

662
 663 If a roof deductible is applied, no other deductible under the
 664 policy may be applied to the loss or to any other loss to the
 665 property caused by the same covered peril.

666 Section 14. Subsection (2) of section 627.70132, Florida
 667 Statutes, is amended to read:

668 627.70132 Notice of property insurance claim.—

669 (2) A claim or reopened claim, but not a supplemental
 670 claim, under an insurance policy that provides property
 671 insurance, as defined in s. 624.604, including a property
 672 insurance policy issued by an eligible surplus lines insurer,
 673 for loss or damage caused by any peril is barred unless notice
 674 of the claim was given to the insurer in accordance with the
 675 terms of the policy within 1 year after the date of loss. A

676 supplemental claim is barred unless notice of the supplemental
677 claim was given to the insurer in accordance with the terms of
678 the policy within 18 months after the date of loss. The time
679 limitations of this subsection are tolled during any term of
680 deployment to a combat zone or combat support posting which
681 materially affects the ability of a servicemember as defined in
682 s. 250.01 to file a claim, supplemental claim, or reopened
683 claim.

684 Section 15. Chapter 2022-271, Laws of Florida, shall not
685 be construed to impair any right under an insurance contract in
686 effect on or before the effective date of that chapter law. To
687 the extent that chapter 2022-271, Laws of Florida, affects a
688 right under an insurance contract, that chapter law applies to
689 an insurance contract issued or renewed after the effective date
690 of that chapter law. This section is intended to clarify
691 existing law and is remedial in nature.

692 Section 16. For the 2023-2024 fiscal year, five positions
693 with associated salary rate of 325,000 and the sum of \$494,774
694 in recurring funds and \$23,410 in nonrecurring funds is
695 appropriated from the Insurance Regulatory Trust Fund to the
696 Department of Financial Services to implement this act.

697 Section 17. For the 2023-2024 fiscal year, 14 positions
698 with associated salary rate of 840,000 and the sum of \$1,301,672
699 in recurring funds and \$65,548 in nonrecurring funds is
700 appropriated from the Insurance Regulatory Trust Fund to the

PCB COM 23-04

2023

701 Office of Insurance Regulation to implement this act.

702 Section 18. This act shall take effect July 1, 2023.